

EXHIBIT P

MONEY & INVESTING

THE WALL STREET JOURNAL

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THURSDAY, AUGUST 25, 2005 C1

Investigators Probe Location of Bayou Funds

Concerns Mount as Investors Say They Are Having Difficulty Retrieving Money From the Firm

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And LANTHE JEANNE DUGAN

LAW-ENFORCEMENT authorities are investigating whether funds are missing from a Stamford, Conn., money management firm that claimed to be overseeing \$440 million in investments, people familiar with the matter said.

Samuel Israel III ran the firm, Bayou Securities LLC, which he co-founded in 1996 after moving from Louisiana. Mr. Israel was a defendant in a 2003 federal lawsuit in Louisiana filed by a father and son he had hired to help run the firm, who claimed in the suit that there had been unexplained withdrawals the firm's accounts and evidence of "possible violations" of federal securities regulations. A federal judge ordered the plaintiffs to pursue their claims in an arbitration pro-

ceeding and dismissed the suit.

Red flags went up in recent weeks when some investors had difficulty getting their money from the firm, a person who did business with the firm said. This person said the firm had recently told its customers that it was planning on winding down some of the firm's

hedge-fund investments and returning their cash after several good years. One Bayou investor said that Mr. Israel told him several months ago that he was closing the fund to spend more time with his children after a divorce.

This investor said he was given all his money back and expressed surprise about the current inquiry.

The Connecticut Department of Banking said it is looking into the matter. Federal prosecutors also are investigating, a person familiar with the matter said. "We are aware of the situation and are pursuing it," said James Heckman, a spokesman for the Connecticut Banking Com-

mission. "But I can't comment on any specific actions the department has taken."

Kevin O'Connor, the Justice Department's U.S. attorney in Connecticut, is investigating the matter as well, according to a person familiar with the situation. Several calls to the office weren't returned. A spokesman for the Securities and Exchange Commission declined to comment.

The voice-mail box at Bayou's offices wasn't accepting new messages. Calls to numbers believed to be Mr. Israel's home weren't returned, nor was an email.

The investigation into Bayou comes during a tough year for hedge funds, which are loosely regulated investment vehicles for wealthy individuals and institutions. These private investment pools have suffered from fraud allegations and carping from investors as overall returns have become lackluster as their ranks have swelled.

Assets in hedge funds, which number more than 8,000, have more than doubled to about \$1 trillion in the past five years, according to some estimates. The Securities and Exchange Commission in 2000-2004 brought 51 cases against hedge-fund advisers who allegedly defrauded investors

of more than \$1.1 billion.

Information provided by Bayou to prospective investors in recent months said the firm had posted stable returns in the past three years and had \$440 million under management as of July. It isn't clear whether the firm's performance and assets were accurately reported, according to a person familiar with the situation.

Bayou Securities was founded in 1996 by Mr. Israel and James G. Marquez, according to paperwork filed with regulators. Mr. Marquez couldn't be reached at what were believed to be his home and work numbers. These papers say the firm managed at least two hedge funds, Bayou Fund LLC and Bayou Fund Ltd. In describing its investment style, the firm said it "invests in growth and value stocks" of all sizes. The firm told prospective investors that it specialized in U.S. stocks.

The company reported an annual average return of 9.8% since 1997, with gains of 2% in 2004 and 31% in 2003, according to information given to prospective investors.

Bayou has been under regulatory scrutiny before. In 2003, the Connecticut Department of Bank-

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ing that it had uncovered evidence that the firm may have violated state rules by maintaining records which did not fully reflect the securities business (it) transacted, court records show. To settle the matter, the firm agreed to maintain accurate records. Bayou didn't admit or deny violations, but agreed that it maintained incomplete records. It agreed to pay a \$750,000 administrative fine.

Bayou Securities Is Investigated

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The 2003 lawsuit against Bayou was filed in federal court in New Orleans by Paul T. Westervelt III and Paul T. Westervelt III, a father and son who were represented by Mr. Israel and a Bayou associate named Dan Marino. Mr. Marino couldn't be reached at what were believed to be his home and work numbers. The father, a money manager from Louisiana who had known Mr. Israel for years, was paid a salary of \$300,000 a year and became a Bayou principal and 25% shareholder, the suit says. His son was hired at \$60,000 a year. In their suit, the two contend that Messrs. Israel and Marino "actively prevented [the father] from obtaining or reviewing business documents and financial information" about the business.

When the father was able to obtain some documentation, the suit says, he learned that Bayou's trading account at a Wall Street firm "had been depleted by more than \$7 million in December 2002," including a \$4.2 million withdrawal on the day after that Christmas "for which he could obtain no explanation." After repeatedly asking for more information about the matter, he never got "any subsequent account statements," the suit

says. The firm terminated the father's contract on March 17, 2003, and fired the son, the suit says.

New York Stock Exchange listings appear on page C5.

There has been a spate of investigations into hedge funds alleged to have ripped off investors. Late last year, regulators and criminal prosecutors filed fraud charges against former hedge-fund manager Charles L. Harris, who lost as much as \$25 million of investors' money. Mr. Harris fled after the meltdown of his fund, Winnetka, Ill.-based Tradewinds International, and recorded unusual video apologies to his biggest backers from his yacht. He turned himself in soon after, pleaded guilty and is awaiting sentencing.

In March, Kevin Kelley, a Greenwich, Conn.-based broker, was indicted by a federal grand jury in Manhattan on charges that he funneled customers' cash into technology start-ups in which he had a stake while pretending he was making money. Mr. Kelley was the head of NorthShore Asset Management, a Chicago firm that was intending to roll up several hedge funds. The SEC has a civil case pending in that matter. Mr. Kelley has pleaded not guilty in the criminal case and denied wrongdoing.

Also in March, the SEC won a temporary restraining order to freeze the assets of Palm Beach hedge fund KL Financial Group to stop what regulators called a "massive fraud." At the time, the SEC said only \$11 million dollars of the fund remained after its managers had raised at least \$81 million from more than 250 investors.

—Robert Frank
contributed to this article.

LucenTech	121.77
Pfizer	26.16
NorthWest	34.91
TimeWarner	21.08
FordMotor	21.09
Citigroup	23.27
GenElec	18.86
ExxonMobil	27.21
HewlettPac	11.11
Motorola	18.51

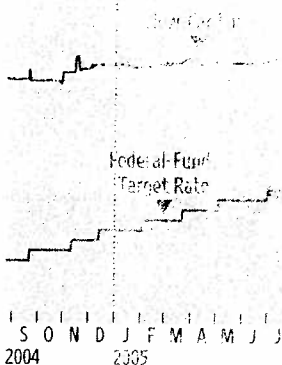
Price Percentage

Top 10 from the NYSE

STOCK (EXCHANGE)	PERCENTAGE
AmWdwn (Nq)	17.22
Frontier (N)	16.18
RF MicroSys (Nas)	16.05
Genesco (N)	15.25
ProVail ABS (Nq)	14.14
GenMaritime (N)	13.75
LucenTech (OTC)	13.71
OfficeMax (N)	13.67
j2 Global (Nas)	12.48
FL ECSTnd (P)	12.16

Consumer Rates

Benchmark season-11 annual rate
Federal-funds target rate
Interest on overnight loan between banks



	Rate
Credit card	12.04%
Prime Rate*	6.50
Money market ann. yield	2.24
Five-year CD ann. yield	4.13
New-car loan	6.47
30-yr. fixed-rate mortgage	5.33
15-yr. fixed-rate mortgage	4.94
Jumbo mortgages†	5.63
One-year ARM	3.85
Home-equity loan	7.29

Most Competitive Rates

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Westfield Bank	4.99%
Westfield, MA, 413-568-1911	
Bradford Bank	5.00%
Baltimore, MD, 410-372-1460	
Baltimore County Sav. Bank, FSB	5.15%
Baltimore, MD, 410-256-5000	
Capital One Auto Finance	5.25%
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Source: Bankrate.com; WSJ Market Data Gro

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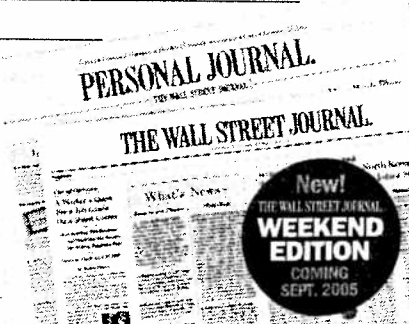
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